

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT ARKANSAS

APR 07 2021

JAMES W. McCORMACK, CLERK
By: *[Signature]*
DEP CLERK

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF ARKANSAS
CENTRAL DIVISION

UNITED STATES OF AMERICA) No. 4:19CR00116 JAS-BSM
)
v.)
)
) 18 U.S.C. §§ 2320, 2
) 21 U.S.C. §§ 1904, 1906
) 22 U.S.C. § 2778(c)
) 22 C.F.R. §§ 121.1, 123.17, 127.1
) 31 C.F.R. §§ 598.203, 598.204, 598.701
ANDREW SCOTT PIERSON)
OSCAR ALMENDAREZ III)
IVAN QUIROGA aka)
IVAN SALCEDO aka)
ALDO SALCEDO aka OSO)
ENRRIQUE OLIVAS)
BETTY JOANN COOK)

THIRD SUPERSEDED INDICTMENT

THE GRAND JURY CHARGES THAT:

COUNT 1
Conspiracy to Traffic in Counterfeit Goods

Beginning in or about 2017, until on or about December 10, 2018, in the Eastern District of Arkansas and elsewhere, the defendant,

ANDREW SCOTT PIERSON,

voluntarily conspired with others known and unknown to the grand jury to intentionally traffic in goods, that is, 80% complete, AR-15-type firearm lower receivers, and on and in connection with such goods, to knowingly use counterfeit Colt marks identical to, and substantially indistinguishable from, genuine marks in use and registered for those goods on the principal register in the United States Patent and Trademark Office, and the use of such counterfeit marks was likely to cause confusion, to cause mistake, and to deceive. In furtherance of this conspiracy,

in or about May 2017, the defendant caused ten unfinished, 80% complete, AR-15-type firearm lower receivers bearing counterfeit Colt marks to be shipped from California to the Eastern District of Arkansas.

All in violation of Title 18, United States Code, Sections 2320(a)(1) and (a)(2).

COUNT 2
Conspiracy to Violate the Arms Export Control Act

The Arms Export Control Act

1. The Arms Export Control Act (AECA), specifically, Title 22, United States Code, Section 2778, authorizes the President of the United States to control the export of arms, munitions, and other defense articles by designating said items and promulgating regulations with respect to their export. The items so designated are set forth on the United States Munitions List (USML).

2. By virtue of the President's delegation of his authority under the AECA, the Directorate of Defense Trade Controls (DDTC) within the Department of State is charged with regulating the export of defense articles.

3. The AECA and its implementing regulations, the International Traffic in Arms Regulations (ITAR) (22 C.F.R. Parts 120-130), require a person to apply for and obtain a validated export license from the DDTC before exporting defense articles from the United States. In the export license application, known as a Form DSP-5, the exporter must identify the nature of the defense articles to be exported, the end-recipient, and the purpose for which they are intended. The AECA and the ITAR remained in full force and effect throughout the time frame of this Third Superseding Indictment.

4. Category I of the USML designates certain firearms and related components, parts, accessories, and attachments as defense articles subject to the ITAR. During the timeframe of the events set forth in this Third Superseding Indictment, the 80% complete, AR-15-type firearm lower

receivers described in Count 1 of this Third Superseding Indictment, were defense articles in Category I of the USML, and therefore prohibited from export from the United States absent a validated export license issued by the DDTC. During the timeframe of the events set forth in this Third Superseding Indictment, the Brownells bolt carrier groups and AR-15/M4 stripped upper receivers described in Count 2, paragraph 15 of this Third Superseding Indictment, were also defense articles in Category I of the USML, and therefore prohibited from export from the United States absent a validated export license issued by the DDTC.

The Defendants

5. At all times material to this Third Superseding Indictment:
 - a. Defendant ANDREW SCOTT PIERSON was a United States Citizen.
 - b. Defendant OSCAR ALMENDAREZ III was a United States Citizen.
 - c. Defendant IVAN QUIROGA aka IVAN SALCEDO, aka ALDO SALCEDO aka OSO's citizenship status is unknown.
 - d. Defendant ENRRIQUE OLIVAS was a United States Citizen.
 - e. Defendant BETTY JOANN COOK was a United States Citizen.
 - f. MARIA GUADALUPE ALMENDAREZ was a Citizen of Mexico lawfully residing in Texas.
 - g. ALEJANDRO QUIROZ was a United States Citizen.
 - h. ABRAHAM AURELIO CALDERON was a United States Citizen.
6. At no time relevant to this Third Superseding Indictment did ANDREW SCOTT PIERSON, MARIA GUADALUPE ALMENDAREZ, OSCAR ALMENDAREZ, III, IVAN QUIROGA aka IVAN SALCEDO, aka ALDO SALCEDO, aka OSO, ALEJANDRO QUIROZ, ABRAHAM AURELIO CALDERON, ENRRIQUE OLIVAS and BETTY JOANN COOK

apply for, receive, or possess a license from the Department of State to export or transfer defense articles of any description, including those identified in this Third Superseding Indictment.

Scheme

7. Beginning in or about 2014 and continuing to December 2018, ANDREW SCOTT PIERSON ordered firearm parts and manufacturing materials and equipment that were delivered to MARIA GUADALUPE ALMENDAREZ in Laredo, Texas. MARIA GUADALUPE ALMENDAREZ, in coordination with others, transported the firearm parts and firearm manufacturing materials and equipment across the border to contacts in Mexico who provided them to ANDREW SCOTT PIERSON.

8. From November 2014, until December 2018, ANDREW SCOTT PIERSON, a fugitive from justice in the United States, participated in a firearm manufacturing and repair operation in Nuevo Laredo, Mexico, whereby he used the parts and equipment shipped across the border to repair firearms and convert 80% lower AR-type receivers into automatic weapons for use by drug cartels, specifically, the “Cartel Del Noreste” (CDN) in Nuevo Laredo, Mexico, and the “Cartel Jalisco Nueva Generacion” (CJNG) in Guadalajara, Mexico.

9. In support of the firearm manufacturing and repair operation, in 2017 and 2018, ANDREW SCOTT PIERSON placed orders from firearm parts and equipment dealers in the United States via the Internet using other individuals’ identifications, including OSCAR ALMENDAREZ DBA Preppers Supply, ABRAHAM AURELIO CALDERON DBA Calderon Parts, ALEJANDRO QUIROZ DBA ACR Restorations and DBA Quiroz Restorations, and ENRIQUE OLIVAS DBA ACR Restorations.

10. In 2018, cash proceeds generated from the firearm manufacturing and repair operation were transported from Mexico to Laredo, Texas, and deposited into a Bank of America account opened using the identification of OSCAR ALMENDAREZ III.

11. In October and November 2018, ANDREW SCOTT PIERSON instructed ALEJANDRO QUIROZ, ABRAHAM AURELIO CALDERON, and ENRRIQUE OLIVAS to set up bank accounts in their names and the names of the fictitious businesses listed in paragraph 9.

12. From November 2018 to December 3, 2018, ANDREW SCOTT PIERSON and others used the bank accounts to pay for firearm parts and other equipment ordered via the Internet and shipped to ALEJANDRO QUIROZ DBA ACR Restorations and ENRRIQUE OLIVAS at locations in Laredo, Texas, which were transported across the Mexican border to ANDREW SCOTT PIERSON's firearm manufacturing and repair operation in Nuevo Laredo, Mexico.

Manner and Means of the Conspiracy

13. The conspirators used the following manner and means, among others, to accomplish the objects of the conspiracy:

- a. The conspirators communicated with each other and prospective firearm, parts and equipment sellers via telephone, email, Facebook, eBay, Whatsapp, and a variety of other social media and communications platforms;
- b. The conspirators attempted to acquire designated defense articles, including parts to manufacture and repair firearms, in the Eastern District of Arkansas and elsewhere in the United States;
- c. One or more of the conspirators traveled internationally in furtherance of the scheme to repair, manufacture, and sell firearms to the CDN and CJNG Cartels in Mexico;
- d. Funds used to purchase firearm parts and other materials and services related to the scheme to repair, manufacture, and sell firearms were carried by a person or transmitted by wire in interstate or foreign commerce;
- e. Funds deposited in bank accounts of one or more of the conspirators were used to

conduct financial transactions related to the scheme to repair, manufacture and sell firearms;

- f. Fictitious business names, including, OSCAR ALMENDAREZ DBA Preppers Supply, ABRAHAM AURELIO CALDERON DBA Calderon Parts, ALEJANDRO QUIROZ DBA ACR Restorations and DBA Quiroz Restorations, and ENRRIQUE OLIVAS DBA ACR Restorations were used to conduct transactions related to the scheme to repair, manufacture and sell firearms;
- g. No license was obtained to engage in the business of repairing, manufacturing and selling firearms;
- h. No license was obtained to authorize the export of designated defense articles;
 - i. Designated defense articles acquired and exported by the conspirators were used to repair and manufacture firearms that were sold to one or more Cartel customers in Mexico.

The Charge

14. Beginning in or about 2014, until on or about December 20, 2018, in the Eastern District of Arkansas, and elsewhere, the defendants,

ANDREW SCOTT PIERSON
OSCAR ALMENDAREZ, III,
IVAN QUIROGA aka IVAN SALCEDO, aka ALDO SALCEDO, aka OSO,
ENRRIQUE OLIVAS, and
BETTY JOANN COOK,

did knowingly and unlawfully conspire and agree with MARIA GUADALUPE ALMENDAREZ, ABRAHAM AURELIO CALDERON, ALEJANDRO QUIROZ, and other persons known and unknown to the grand jury, to export and cause the exportation of firearms, ammunition, parts, accessories, attachments, and associated equipment, including, but not limited to, 80% complete,

AR-15-type firearm lower receivers, AR-15/M16/M4 bolt carrier groups, and AR-15/M16/M4 upper receivers, which were designated defense articles under Category I of the USML, from the United States to Mexico without having first registered with and obtained the required license and authorization from the Department of State, Directorate of Defense Trade Controls, and to attempt to do so, in violation of Title 22, United States Code, Section 2778(c); Title 22, C.F.R., Sections 121.1, 123.17, and 127.1; and Title 18, United States Code, Section 2.

Overt Acts

15. In furtherance of the above conspiracy, and to effect the objects thereof, the following overt acts, among others, were committed by the conspirators in the Eastern District of Arkansas and elsewhere:

- a. From September 2012 until in or about July 2014, ANDREW SCOTT PIERSON made approximately 221 purchases from an on-line website, Gunbroker.com, that included machinegun parts, AR-15/M-16 Drilling Jig Fixtures used to convert semi-automatic rifles into automatic weapons, and AR-15 80% lower receivers.
- b. ANDREW SCOTT PIERSON had the items ordered from Gunbroker.com above shipped to his mother, BETTY JOANN COOK, in Jay, Oklahoma.
- c. BETTY JOANN COOK transferred the above items ordered by ANDREW SCOTT PIERSON to MARIA GUADALUPE ALMENDAREZ who resided in Laredo, Texas, for her to transport to ANDREW SCOTT PIERSON in Mexico.
- d. On or about December 13, 2016, OSCAR ALMENDAREZ, III opened Bank of America account XXXX-9852 at the direction of MARIA GUADALUPE ALMENDAREZ.
- e. On or about May 22, 2017, ten unfinished, 80% complete, AR-15-type firearm lower receivers were ordered from Tactical Machining Supply in the name J. Garcia, 820 Galveston St., Laredo, Texas, for delivery to Randy Spade in Whitmore, California.
- f. On or about May 22, 2018, Randy Spade DBA Vader Tactical engraved the ten unfinished, 80% complete, AR-15-type firearm lower receivers ordered from Tactical Machining Supply with counterfeit Colt marks and thereafter mailed these items from California to the Eastern District of Arkansas.
- g. On or about June 1, 2017, the intended recipient of the ten unfinished, 80%

complete, AR-15-type firearm lower receivers bearing counterfeit Colt marks in the Eastern District of Arkansas negotiated a price with an individual named “Oscar” through eBay communications to cerekote the ten unfinished, 80% complete, AR-15-type firearm lower receivers and to forward the cerekoted receivers to an address in Laredo, Texas.

- h. On or about June 6, 2017, the individual in the Eastern District of Arkansas received the ten unfinished, 80% complete, AR-15-type firearm lower receivers engraved by Randy Spade with counterfeit Colt marks and mailed to him by Randy Spade from California.
- i. On or about June 6, 2017, the individual in the Eastern District of Arkansas recognized the engraving as counterfeit and returned the ten unfinished, 80% complete, AR-15-type firearm lower receivers to Randy Spade in California.
- j. On or about August 3, 2017, ANDREW SCOTT PIERSON using the name Oscar Almendarez DBA Preppers Supply placed an Internet order for twelve (12) AR-15 Matrix upper receivers from Chandler Hardwoods, invoice number 5646, and credit card XXXX-9292 for delivery to Oscar Almendarez DBA Preppers Supply at 820 Galveston St., Laredo, Texas.
- k. On or about February 22, 2018, MARIA GUADALUPE ALMENDAREZ deposited \$200.00 in cash from ANDREW SCOTT PIERSON into Bank of America account XXXX-9852 using an ATM in Laredo, Texas.
- l. On or about March 2, 2018, MARIA GUADALUPE ALMENDAREZ deposited \$4,400.00 in cash from ANDREW SCOTT PIERSON into Bank of America account XXXX-9852 using an ATM in Laredo, Texas.
- m. On or about March 12, 2018, MARIA GUADALUPE ALMENDAREZ deposited \$3,480.00 in cash from ANDREW SCOTT PIERSON into Bank of America account XXXX-9852 using an ATM in Laredo, Texas.
- n. On or about March 16, 2018, ANDREW SCOTT PIERSON using the name Oscar Almendarez DBA Preppers Supply placed an Internet order for three (3) AR-15 Matrix upper receivers from Chandler Hardwoods invoice number 6886 and credit card XXXX-7598 for delivery to Oscar Almendarez DBA Preppers Supply at 820 Galveston St., Laredo, Texas.
- o. On or about March 21, 2018, MARIA GUADALUPE ALMENDAREZ made two deposits of \$1,200 and \$1,160 in cash from ANDREW SCOTT PIERSON into Bank of America account XXXX-9852 using an ATM in Laredo, Texas.
- p. On or about March 26, 2018, MARIA GUADALUPE ALMENDAREZ deposited \$600.00 in cash from ANDREW SCOTT PIERSON into Bank of America account XXXX-9852 using an ATM in Laredo, Texas.

- q. On or about October 10, 2018, an on-line order using an unknown payment method was placed with HK Parts invoice number 547089 for 9mm SEF Full Auto Trigger Pack – Complete German and shipped to ENRRIQUE OLIVAS at 7305 San Dario Avenue, #363, Laredo, Texas 78045.
- r. On or about October 30, 2018, at the direction of ANDREW SCOTT PIERSON, ALEJANDRO QUIROZ opened Bank of America Account XXXX-8368 (tied to bank card ending in 6500) in the name of ALEJANDRO QUIROZ DBA Quiroz Restorations.
- s. On or about October 29, 2018, at the direction of ANDREW SCOTT PIERSON, ABRAHAM AURELIO CALDERON opened Bank of America account XXXX-8355 in the name of ABRAHAM AURELIO CALDERON DBA Calderon Parts.
- t. On or about November 14, 2018, ANDREW SCOTT PIERSON using the name ALEJANDRO QUIROZ DBA ACR Restorations placed an Internet order for one (1) AR-15 80% forged and unfished lower receiver, seven (7) AR-15 80% forged and anodized lower receivers, and fifteen (15) AR-15 M4 stripped upper receivers from Brownells, invoice number 16629803, using Bank of America Account XXXX-8368 with Bank of America debit card XXXX-6500 for delivery to 313 W. Elm Street, Laredo, Texas.
- u. On or about November 16, 2018, at the direction of ANDREW SCOTT PIERSON, ENRRIQUE OLIVAS opened Bank of America account XXXX-7835.
- v. On or about November 16, 2018, and on or about December 20, 2018, ENRRIQUE OLIVAS made ATM cash deposits and teller window deposits into Bank of America account XXXX-7835.
- w. On or about November 20, 2018, ANDREW SCOTT PIERSON using the name ALEJANDRO QUIROZ DBA ACR Restorations placed an Internet order for one (1) M16 Lightweight Bolt Carrier Group and ten (10) standard AR Bolt Carrier Groups from Brownells, invoice number 16657487, using Bank of America Account XXXX-8368 with Bank of America debit card XXXX-6500 for delivery to 313 W. Elm Street, Laredo, Texas.
- x. Between on or about November 26, 2018, and on or about December 10, 2018, ALEJANDRO QUIROZ made cash deposits into Bank of America Account XXXX-8368 (tied to Bank of America debit card XXXX-6500).
- y. On or about December 10, 2018, ANDREW SCOTT PIERSON using the name Alex Quiroz placed an Internet order for an Upper Receiver Kit from Barrett Firearms, invoice number 0077091 using Bank of America Account XXXX-8368 with Bank of America debit card XXXX-6500 for delivery to Alex Quiroz at 313

W. Elm Street, Laredo, Texas.

- z. On or about December 12, 2018, ALEJANDRO QUIROZ withdrew \$4,000 cash from Bank of America Account XXXX-8368.
- aa. On or about December 13, 2018, ALEJANDRO QUIROZ withdrew \$4,000 cash from Bank of America Account XXXX-8368.
- bb. On or about December 14, 2018, ALEJANDRO QUIROZ withdrew \$6,000 cash from Bank of America Account XXXX-8368.

COUNT 3
Attempt to Violate the Arms Export Control Act

- 1. The allegations in Count 2 paragraphs 1-12 of this Third Superseding Indictment are hereby re-alleged and incorporated herein by this reference.
- 2. In or about May 2017, and continuing into June 2017, in the Eastern District of Arkansas and elsewhere, the defendant,

ANDREW SCOTT PIERSON,

did knowingly and willfully attempt to export and attempt to cause the exportation of ten unfinished, 80% complete, AR-15-type firearm lower receivers bearing counterfeit Colt marks that are designated defense articles under Category I of the USML, from the United States to Mexico without having first obtained the required license or authorization from the Department of State, Directorate of Defense Trade Controls.

All in violation of Title 22, United States Code, Section 2778(c); Title 18, United States Code, Section 2; and Title 22 C.F.R., Sections 121.1, 123.17 and 127.1.

COUNT 4
Attempt to Violate the Foreign Narcotics Kingpin Designation Act

- 1. Count 2 paragraphs 1-12 of this Third Superseding Indictment are hereby re-alleged and

incorporated herein by this reference.

2. On or about April 8, 2015, the U.S. Department of the Treasury, Office of Foreign Assets Control (OFAC) designated Cartel de Jalisco Nueva Generacion (CJNG) as a specially designated narcotics trafficker named under the Kingpin Act (21 U.S.C. §§ 1904 and 1906).

3. On or about a date unknown to the grand jury, but no earlier than April 8, 2015, and no later than December 10, 2018, within the Eastern District of Arkansas and elsewhere, the defendant,

ANDREW SCOTT PIERSON,

a United States Citizen, together with others, did knowingly and willfully attempt to cause the export, reexport, sale and supply, directly and indirectly, of goods and services, that is: firearms, helmets, body armor, and firearm repair services from the United States and by a United States Citizen to CJNG, without having first obtained the required license from OFAC contrary to Title 31, Code of Federal Regulations, Sections 598.203, 598.204, and 598.701; Title 21, United States Code, Sections 1904 and 1906; and Title 18, United States Code, Sections 2 and 3551 *et seq.*

COUNT 5
Conspiracy to Violate the Foreign Narcotics Kingpin Designation Act

1. Count 4 paragraphs 1 and 2 of this Third Superseding Indictment are hereby re-alleged and incorporated herein by this reference.

2. Count 2 paragraph 15, and all subparts, of this Third Superseding Indictment are hereby re-alleged and incorporated herein by reference.

3. On or about a date unknown to the grand jury, but no earlier than April 8, 2015, and no later than December 10, 2018, within the Eastern District of Arkansas and elsewhere, the defendant,

ANDREW SCOTT PIERSON,

a United States Citizen, did conspire with others known and unknown to the grand jury to knowingly and willfully cause the export, reexport, sale and supply, directly and indirectly, of goods and services, that is: firearms, helmets, body armor, and firearm repair services from the United States and by a United States Citizen to CJNG, without having first obtained the required license from OFAC contrary to Title 31, Code of Federal Regulations, Sections 598.203, 598.204, and 598.701; Title 21, United States Code, Sections 1904 and 1906; and Title 18, United States Code, Sections 2 and 3551 *et seq.*

[END OF TEXT. SIGNATURE PAGE ATTACHED.]